

# **MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**WEDNESDAY, JUNE 16, 2010, AT 4:00 PM**

**IN THE MARY BRENNAN BOARD ROOM**

**T. F. GREEN AIRPORT**

**2000 POST ROAD, WARWICK, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:00 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

**BOARD MEMBERS PRESENT:** Kathleen C. Hittner, M.D; Joseph Cianciolo; Robert D. Sangster; Russell Hahn; Michael Traficante.

**BOARD MEMBER ABSENT:** James Forte; Joseph Larisa.

**ALSO PRESENT:** Kevin A. Dillon, A.A.E., President and CEO; and those members listed on the attendance sheet attached hereto.

## **1. Approval of the Minutes:**

A motion was made by Mr. Traficante and seconded by Mr. Cianciolo to approve the minutes of the Board Meeting of April 21, 2010. The

**motion was passed unanimously.**

## **2. Open Forum:**

**Dr. Hittner asked if anyone present wanted to speak in Open Forum.  
No one came forward.**

## **3. Executive Session:**

**At approximately 4:03 p.m., a motion was made by Mr. Hahn and seconded by Mr. Traficante to go into Executive Session for the purposes of discussing the following items:**

**(a) Motion to Approve the Minutes of the Executive Session held on April 21, 2010 - R.I.G.L. § 42-46-5(a)(1)(2), (5) and (7); and**

**(b) Discussion Related to Two Potential Litigation Matters (EIS and Labor) - R.I.G.L. § 42-46-5(a)(2); and**

**(c) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Hangar Development and Airline Negotiations) - R.I.G.L. § 42-46-5(a)(7); and**

**(d) Discussion Related to the Acquisition of Real Property for Public Purposes at T. F. Green Airport – R.I.G.L. § 42-46-5(a)(5); and**

**(e) Working Session Related to Collective Bargaining - R.I.G.L. § 42-46-5(a)(2); and**

**(f) Motion to Return to Open Session.**

**By the following roll call vote the motion was passed unanimously.**

**YEAS: Kathleen C. Hittner, M.D.**

**Joseph Cianciolo**

**Robert D. Sangster**

**Russell Hahn**

**Michael Traficante**

**NAYS: None**

**ABSTAIN: None**

**At approximately 4:45 p.m. a motion was made by Mr. Sangster and seconded by Mr. Hahn to reconvene to the Open Session. The motion was passed unanimously.**

#### **4. Post Executive Session Actions and Announcements:**

**(a) Motion to Seal the Minutes of the Executive Session held on June 16, 2010.**

**A motion was made by Mr. Hahn and seconded by Mr. Cianciolo to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following roll call vote the motion was passed unanimously\*:**

**YEAS: Kathleen C. Hittner, M.D.**

**Joseph Cianciolo**

**Russell Hahn**

**Michael Traficante**

**NAYS: None**

**ABSTAIN: None**

**\* Note: Mr. Sangster was absent from the room for the vote.**

**(b) Report on Actions Taken In Executive Session:**

**During the Executive Session the Board approved the sealed minutes of the Executive Session held on April 21, 2010. The vote was unanimous.**

**(c) Motion to Amend the Board Agenda:**

**A motion was made by Mr. Hahn and seconded by Mr. Sangster to amend the agenda to have Action Item 6, the Finance and Audit**

**Committee Report, considered next on the agenda. The motion was passed unanimously.**

#### **5. Finance and Audit Committee Report:**

**Mr. Cianciolo gave an overview of the Finance and Audit Committee Meeting which was held on June 10, 2010. Mr. Cianciolo reported that the Committee had reviewed the Financial Statements for the month of March, 2010, and also the draft FY11 Budget. Mr. Cianciolo reported that the Draft FY11 Budget was on the agenda for approval by the Board. Mr. Richard Langseth raised a point of order regarding discussions of the budget during Executive Session. Mr. Cianciolo advised that the budget was not discussed during the closed session.**

#### **Action Item:**

**(a) Consideration of and Action Upon Approval of the Fiscal Year 2011 Budget.**

**A motion was made by Mr. Cianciolo and seconded by Mr. Hahn to approve the Fiscal Year 2011 budget in substantially the form submitted to the Board. The motion was passed unanimously.**

**Mr. Cianciolo left the meeting at 5:00 p.m.**

## **6. Report from President and CEO:**

**Mr. Dillon reported that passenger traffic for the month of May 2010 fell 11.9% on approximately 1% less scheduled capacity. Mr. Dillon noted, however, that US Airways carried 3% more traffic in May as compared to a year ago. However, these gains were offset by a 16.9% decrease in Southwest traffic. Mr. Dillon reported that Southwest's service at Boston was starting to impact passenger traffic at T. F. Green. He noted, however, that the focus still continues to be on air service marketing efforts with several visits to airlines scheduled in the coming months.**

**Mr. Dillon reported that the Quonset Air Show is scheduled for June 26, 2010 and June 27, 2010.**

**Mr. Dillon reported that he met with the Warwick Legislative Delegation on May 4, 2010, and briefed them on airport issues.**

**Mr. Dillon reported that Mr. Gary Kelly, Chairman of the Board and President and CEO of Southwest Airlines, was the keynote speaker at the Greater Providence Chamber of Commerce's Annual Economic Outlook Luncheon on May 5, 2010. Mr. Dillon noted that Mr. Kelly had reaffirmed Southwest's commitment to T. F. Green Airport.**

**Mr. Dillon reported that the Draft EIS is scheduled to be published on July 9, 2010. A Public Hearing on the Draft EIS is scheduled for**

**August 17, 2010. The Final EIS should be published by the end of the year with the Record of Decision (ROD) due by Spring 2011.**

**Mr. Dillon reported that RIAC is updating its current Part 150 Noise Mitigation Program with a new Noise Exposure Map. A Public Workshop will be held on June 22, 2010, 5:00 p.m. – 8:00 p.m., at the Radisson Hotel in Warwick.**

**Mr. Dillon reported that as a result of recent legislation concerning the 3 hour tarmac rule, airlines and airports are developing irregular operations plans to address the situation. RIAC's plan has been developed.**

**Mr. Dillon gave an update on the intermodal project reporting that the project is on schedule. The rental car agencies are due to relocate to the facility on September 22, 2010. The official opening of the facility will be held in October.**

**Mr. Dillon reported that the Corporation is pleased to unveil the name of the new Intermodal facility at T. F. Green Airport. The transportation hub will be known as the INTERLINK, a name illustrative of its multi-modal connectivity. Mr. Dillon asked Ms. Goldstein to explain the selection process for the name.**

**Ms. Goldstein explained that students from Rhode Island Colleges and Universities with concentrations in business, marketing and/or**

communications were invited to assist in branding the facility by submitting names and taglines for consideration. The winning proposal was submitted by Bryant University seniors Justin Andrews, Jameson (Jack) Antonowicz, Jacquelyn Parr, Pat Sargent and Brittany Beckerman with help from Mara Chapin and Hillary Smith. The students are all marketing majors under the instruction of Professor Jean Murray. They submitted an initial name and tagline along with an essay providing a clear understanding of the Intermodal. The students then presented their concepts in a brainstorming session where the name and tagline were further refined. A prize of \$1,000 is being awarded to the Bryant University marketing department in recognition of the students' and Professor Murray's efforts. The RDW Group, then took the word Link and developed a logo, tagline and graphic treatment with which to brand the regional transportation hub. Ms. Jae Wiss, representing the RDW Group, explained how they further developed the original idea.

## **7. Operations and Capital Committee Report:**

Dr. Hittner had chaired the Operations and Capital Committee Meeting, which was held at 3:00 p.m., on Wednesday, June 16, 2010.

Mr. Dillon reported that Dr. Hittner had recently signed a Construction Change Order (COR) for Gilbane, which is a compilation of numerous smaller COR's in connection with the intermodal project, for a total amount of \$208,020.00.



**A motion was made by Mr. Cianciolo and seconded by Mr. Traficante to extract item (e) Consideration of and Action Upon Proposed Concession Agreement with Flying Pretzels, LLC, DBA Auntie Anne's at T. F. Green Airport, from the consent agenda. The motion was passed unanimously.**

**A motion was made by Mr. Traficante and seconded by Mr. Hahn to approve items (a), (b) (c) and (d) on the consent agenda. The motion was passed unanimously.**

**Consent Agenda:**

**(a) Consideration of and Action Upon Approval of a Professional Services Agreement to Upgrade the Fire Alarm System at T. F. Green Airport.**

**WHEREAS, the existing fire alarm system in the T. F. Green Airport terminal is more than 15 years old; and**

**WHEREAS, this project will replace older technology and upgrade the existing system to extend its useful life and reduce annual repair expenses; and**

**WHEREAS, on February 1, 2010, the Rhode Island Airport Corporation (RIAC) issued a Request for Proposals (RFP) for this project; and**

**WHEREAS, RIAC received five proposals on April 2, 2010 in response to this RFP; and**

**WHEREAS, a Selection Committee comprised of Joe DaSilva, AVP Building Maintenance; Jack Thomas, Fire Chief; Steve Catanzaro, Electrical Supervisor; and Beth Tetreault, Procurement Specialist, reviewed and evaluated the proposals; and**

**WHEREAS, based on these evaluations, the Selection Committee recommends the firm of C & K Electric Company (C&K) perform these services; and**

**WHEREAS, the proposal submitted by C&K included \$218,000 for the repair and upgrade of the existing system and a total of \$15,250 for testing services over a three-year period; and**

**WHEREAS, the project is proposed in the Fiscal Year 2011 Capital Improvement Program (CIP) budget in the amount of \$250,000; and**

**WHEREAS, the construction portion of this contract in the amount of \$218,000 will be funded with 2008 Airport Revenue Bond funds; and**

**WHEREAS, the RIAC proposed Fiscal Year 2011 Operating and Maintenance (O&M) budget includes \$5,000 for testing services during the first year of the contract; and**

**WHEREAS, testing services for years two and three will be contingent upon approval in the applicable year's O&M budget.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board approve the attached resolution authorizing the President and CEO, or his designee, to negotiate and execute a Professional Services Agreement with C & K Electric Company to upgrade and test the fire alarm system in the T. F. Green Airport terminal in the amount of \$233,250.**

**(b) Consideration of and Action Upon Approval of a Construction Contract for the Maintenance and Rehabilitation of the Elevated Roadway Bridges at T. F. Green Airport.**

**WHEREAS, a competitive bidding process was undertaken according to the Rhode Island Airport Corporation's (RIAC) procurement rules for the Maintenance and Rehabilitation of the Elevated Roadway Bridges at T. F. Green Airport; and**

**WHEREAS, four bids were received on May 12, 2010; and**

**WHEREAS, Commonwealth Engineering (Commonwealth), serving as RIAC's Design Consultant for this project, determined that Cardi Corporation (Cardi) submitted the lowest responsive bid in the**

**amount of \$595,512; and**

**WHEREAS, RIAC staff agrees with Commonwealth's recommendation that Cardi be awarded the Construction Contract for this project; and**

**WHEREAS, the project is proposed in the Fiscal Year 2011 Capital Improvement Program (CIP) budget in the amount of \$800,000; and**

**WHEREAS, this contract will be funded with 2008 Airport Revenue Bond funds.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to execute a Construction Contract with Cardi Corporation for the Maintenance and Rehabilitation of the Elevated Roadway Bridges at T. F. Green Airport in the amount of \$595,512.**

**(c) Consideration of and Action Upon Approval of a Consultant Task Order for the 2020 No-Build Voluntary Land Acquisition Program (Phase 3) at T. F. Green Airport.**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) entered into a Professional Services Agreement (PSA) dated July 1, 2005 with O R Colan Associates of FL, LLC (O R Colan) to provide On-Call Land and**

**Avigation Easement Acquisition Services; and**

**WHEREAS, the Federal Aviation Administration (FAA), as part of the Environmental Impact Statement process, has revised noise contour maps related to the 2020 No-Build Scenario based on the use of a more recent Noise Model and revised forecasts that the FAA finds to be consistent with their 2008 Terminal Area Forecast (TAF); and**

**WHEREAS, RIAC has received a Scope and Fee from O R Colan to perform Acquisition and Relocation Services associated with Phase 3 of the 2020 No-Build Voluntary Land Acquisition Program at T. F. Green Airport in the amount of \$669,554; and**

**WHEREAS, RIAC is currently seeking approval from the FAA to utilize its personnel in lieu of the consultant services for a portion of the administrative tasks; and**

**WHEREAS, if this request is approved RIAC will be reimbursed 80% of the staff's salaries and the Task Order with O R Colan will be reduced accordingly; and**

**WHEREAS, the project is proposed in the Fiscal Year 2011 Capital Improvement Program (CIP) budget in the amount of \$2,582,803; and**

**WHEREAS, this Task Order will be funded 80% (\$535,643) through the Federal Aviation Administration's Airport Improvement Program with**

**RIAC's 20% (\$133,911) matching share through Passenger Facility Charges.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to execute a Task Order with O R Colan for Acquisition and Relocation Services associated with Phase 3 of the 2020 No-Build Voluntary Land Acquisition Program at T. F. Green Airport in an amount not to exceed \$669,554.**

**(d) Consideration of and Action Upon Proposed Signatory Airline Operating Agreement and Terminal Building Lease at T. F. Green Airport.**

**WHEREAS, the Rhode Island Airport Corporation's (RIAC) current Signatory Airline Agreement expires on June 30, 2010; and**

**WHEREAS, RIAC staff has negotiated a new Airline Operating Agreement and Terminal Building Lease that will be effective July 1, 2010; and**

**WHEREAS, the proposed term will be for five years; and**

**WHEREAS, the landing fee for the airfield will be based on a Cost Center Residual Methodology; and**

**WHEREAS, an apron fee will be established based on a Cost Center Residual Methodology; and**

**WHEREAS, the terminal rental rate will be based on a Commercial Compensatory Methodology; and**

**WHEREAS, unlike the current agreement, there will be no Majority in Interest approval requirement for Capital Improvement Projects; and**

**WHEREAS, the agreement established an Airline Net Revenue Sharing Methodology for Signatory Airlines; and**

**WHEREAS, the distribution of each Signatory Airline's portion of revenue-sharing will be based on enplanements; and**

**WHEREAS, Non-Signatory Airlines' landing fees, apron fees and terminal rental rates will be 125% of the Signatory Airlines' rates.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board approves the Airline Operating Agreement and Terminal Building Lease in substantially the form presented.**

**Action Item:**

**(a) Consideration of and Action Upon Proposed Concession Agreement with Flying Pretzels, LLC, DBA Auntie Anne's at T. F. Green Airport.**

**Mr. Hahn announced he would be recusing himself from voting on this item, and he left the Board table.**

**A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the following resolution:**

**WHEREAS, the Rhode Island Airport Corporation (RIAC) has the responsibility to enhance non-airline revenue streams and expand product offerings for its passengers that utilize T. F. Green Airport; and**

**WHEREAS, Auntie Anne's Pretzels is a well-known and established concession concept in airports and shopping malls; and**

**WHEREAS, RIAC staff has determined that this concept would represent a compatible and profitable business concept at T. F. Green Airport; and**

**WHEREAS, RIAC staff has negotiated a seven year concession agreement with a local franchisee, Flying Pretzels, LLC (Flying Pretzels); and**



**WHEREAS, Flying Pretzels will lease 233 square feet of concourse space adjacent to Gate 12 to operate its Auntie Anne's Pretzel location; and**

**WHEREAS, revenues under this agreement will be based on a Minimum Annual Guarantee (MAG) of \$82,500 or 15% of gross revenues, whichever is greater; and**

**WHEREAS, the MAG will be escalated by 3% each year of the proposed term.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to execute a Concession Agreement with Flying Pretzels, LLC, to operate an Auntie Anne's Pretzels location at T. F. Green Airport.**

**The motion was passed by four votes in the affirmative with one Board Member, Russell Hahn, recusing himself from the vote. Those votes are as follows:**

**YEAS: Kathleen C. Hittner, M.D.**

**Robert D. Sangster**

**Michael Traficante**

**NAYS: None**

**RECUSAL: Russell Hahn**

**8. Pension Committee Report:**

**There was a brief overview of the meeting held on June 16, 2010.**

**Item (b) Consideration of and Action Upon Selection of a Plan Investment Advisor was removed from the Board agenda.**

**A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the following item on the Consent Agenda. The motion was passed unanimously.**

**Consent Agenda:**

**(a) Consideration of and Action Upon Pension System Vesting Rights.**

**The Board approved the modification to the Vesting Schedule for the Principal 414h plan to allow an employee to vest after one year of employment versus five years of employment.**

**9. Human Resources Committee Report:**

**Mr. Sangster gave an overview of the Human Resources Committee on May 26, 2010. Mr. Sangster noted that discussion at that meeting**

focused on the negotiations for a new collective bargaining agreement.

#### **10. By-laws Committee Report:**

Dr. Hittner gave a brief overview of the By-laws Committee Meeting on June 1, 2010, noting that Mr. Sangster had been appointed as Chair of the Committee. Work is continuing on revising the Corporation's By-laws, and the next meeting will be scheduled sometime in the near future.

#### **11. Future Meetings:**

The next meeting is scheduled for Wednesday, July 21, 2010, at 4:00 p.m., in Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

#### **12. Adjournment:**

Mr. Traficante moved to adjourn the meeting at 5:15 p.m. Mr. Hahn seconded the motion. The motion was passed unanimously.

Respectfully submitted,

Kathleen C. Hittner, M.D., Chair  
Rhode Island Airport Corporation

**ATTENDANCE SHEET**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS MEETING**

**JUNE 16, 2010**

<b>NAME</b>	<b>AFFILIATION</b>
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<b>Brian Schattle</b>	<b>RIAC</b>
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<b>Peter Frazier</b>	<b>RIAC</b>
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<b>Patti Goldstein</b>	<b>RIAC</b>
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<b>Bruce Wilde</b>	<b>RIAC</b>
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<b>Sherri-Ann Penta</b>	<b>RIAC</b>
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<b>Doug Dansereau</b>	<b>RIAC</b>
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<b>Dave Wilga</b>	<b>RIAC</b>
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**Rebecca Pazienza    RIAC**

**Robert Goff    NEP**

**Dave Rich    HNTB**

**Richard Langseth    Greenwich Bay Watershed**

**Jae Wiss    RDW Group**

**The minutes of the Executive Session of the Board Meeting of June 16, 2010, have been sealed in accordance with R.I.G.L. § 42-46-4.**